



NEWS

Sunways Secures Wafer Supply from LDK Solar

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Sunways AG has completed funding for the expansion of its Arnstadt cell production capacity. The expansion will accommodate the first wafer shipments expected to be received under the cooperation agreement with LDK Solar in the second half of the year. The 10 year agreement with the Chinese manufacturer will significantly improve the cost of materials situation at Sunways. The company also pursuing other options for the long term supply of raw materials.

"The conclusion of the 10 year wafer supply contract with LDK Solar for a total production output of 1,000 megawatts formed the basis for the capacity expansion in Arnstadt", reported Roland Burkhard, chairman of the Management Board of Sunways.

From 2009 onwards, Sunways will receive from LDK Solar silicon wafers for an annual production output of approx. 100 megawatts; the first shipments have already been agreed upon for 2008. The implementation of the cooperation agreement with LDK Solar will make a crucial contribution to the improvement of earnings at Sunways AG.

"We expect a positive effect already in 2008, the full effect of the optimized raw materials supply situation will be experienced from 2009 onwards," says Sunways CFO Michael Wilhelm.

On the occasion of the general meeting held on 29 May 2008 in Constance, Sunways AG informed its shareholders that the financing of the announced expansion of the production capacities of Arnstadt based Sunways Production GmbH from 30 to 100 megawatts was secured. The investment for the plant's expansion from one to three production lines as well as for remodeling and extension measures in the administrative area amounts to EUR 22.7 million. The financing structure involves a combination of hire purchases of assets, loan financing and investment grants; the share of investment grants amounts to about 30 percent. The production plant will be gradually commissioned in the second half of 2008 and is scheduled to reach its nominal capacity by the end of the current year.

Thanks to the strong domestic and international demand for Sunways system components, sales rose markedly in the past accounting periods: Compared to the previous year, the

company achieved a 40 percent rise in sales to EUR 213.5 million in 2007; EBIT quadrupled and amounted to EUR 4 million.

In the first quarter 2008, sales increased by 82 percent to EUR 50.8 million. However, as expected, EBIT fell behind the prior figure and decreased by 50 percent to EUR 0.5 million due to high costs of raw materials. The Sunways Inverters are particularly successful in the market. The Solar Inverter PT 30k only introduced in April 2008 meets strong demand.

"The great interest in and the rapid success of our transformerless inverter for large systems confirms our conviction that we have again developed a product that fully meets the requirements of our customers," commented Roland Burkhardt.

In 2008, Sunways AG wants to continue its profitable development within the growing solar markets. For the current fiscal year, Sunways AG expects a market growth in Germany in the two digit percentage range; Spain and Italy, with anticipated three digit growth rates, will continue to be among the most promising sales regions in Europe. Sunways AG already has distribution locations in these two markets. Furthermore, the company plans to realize additional strategic options for the supply of raw materials and for cost optimization, to optimize its distribution and marketing structures and to pursue its international expansion.

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